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C O N F I D E N T I A L HARARE 002122

SIPDIS

E.O. 12958: DECL: 10/23/2008

TAGS: [PREL](#) [PINR](#) [ZI](#) [SF](#)

SUBJECT: ENGAGING SOUTH AFRICANS ON ZIMBABWE

REF: PRETORIA 5568

Classified By: JOSEPH G. SULLIVAN FOR REASONS 1.5B/D

1.(C) Embassy Harare would also like to see the study proposed reftel on the cost of Zimbabwe's economic implosion on South Africa and the region and the growth lost to the region by Zimbabwe's failure to grow at even a modest rate. Some recent numbers our economic section has run show a decline in GDP of 31 per cent since 2000 and about 40 per cent since 1997 to USD 3.5 billion. Zimbabwe's current GDP per capita is now USD292, roughly equivalent to that of Mozambique and less than Zambia's USD340, numbers which shock citizens of all three countries. Many Zimbabwean workers earn 80 per cent less in real terms than they did in the 1990's. Zimbabwe has gone from a trade surplus of USD350 million in 2000 to a projected USD450 million deficit this year, a net loss of USD800 million. Zimbabwe's import capacity has declined by about one third to 1.8 billion USD this year, a decline of almost a billion dollars since 1997, representing lost exports to its principal trading partners, including South Africa.  
SULLIVAN